
City of Detroit Public Lighting Strategy Executive Summary

August 10, 2012

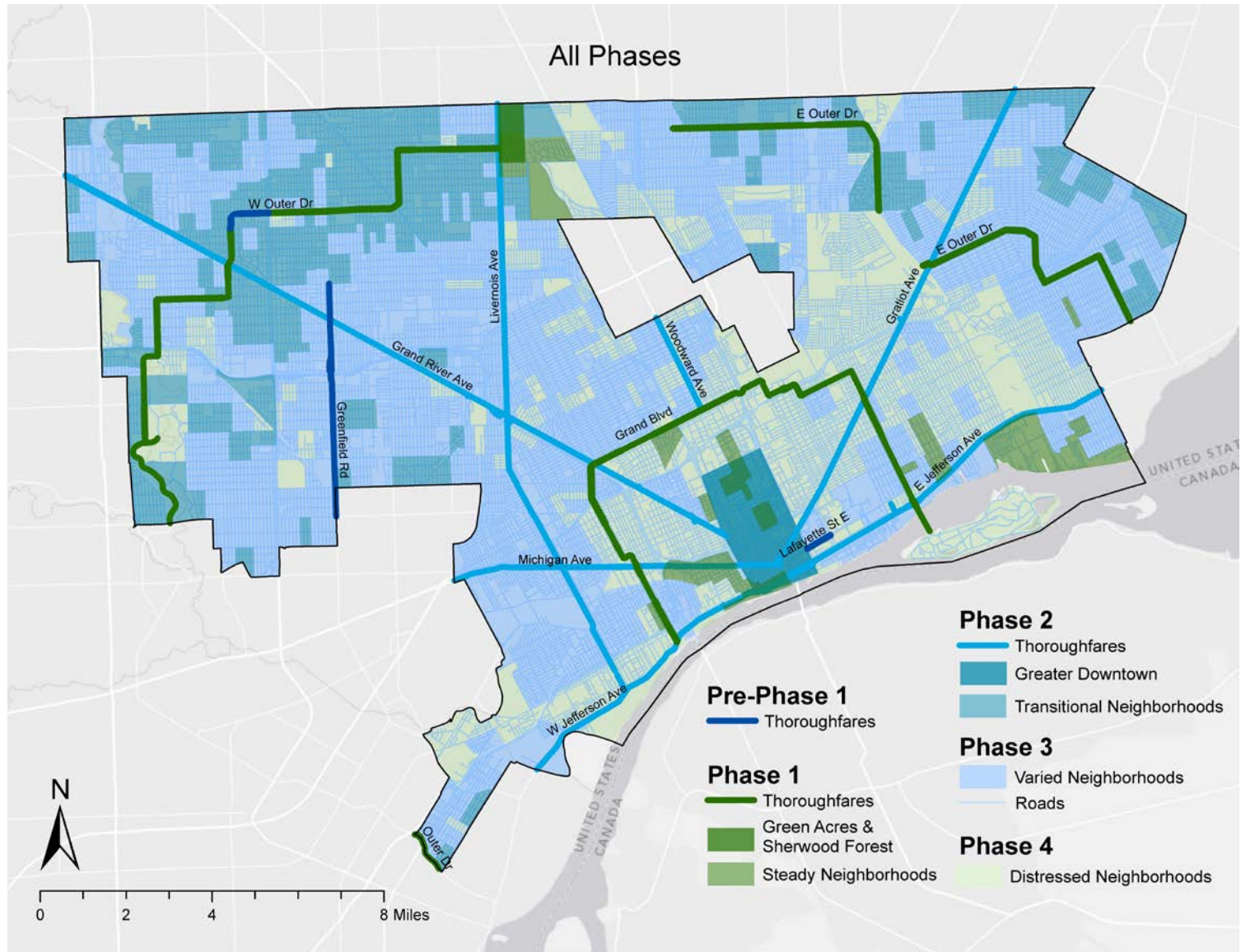


Purpose of today's meeting

- **Introduce Mayor's 4-Phase Street Lighting Strategy:** By the conclusion of the implementation of the lighting strategy, every area of the City will be serviced
- **Legislative Call to Action:** The State Senate must pass the three lighting bills next week. These bills will provide for the creation of a Public Lighting Authority



Mayor is announcing a 4-Phase Lighting Strategy: By the conclusion of the implementation of the lighting strategy, every area of the City will be serviced



7 Key points of the strategy

1

The City of Detroit will retain ownership of all Street Lighting assets

2

All currently working lights in the neighborhoods will stay on

3

All major thoroughfares will retain current lighting footprint

4

Entire backlog of 3,300 reported outages will be fixed in first six months of Authority

5

New call center will dispatch crews to fix outages within one week of reporting

6

20,000 alleyway fixtures will be removed

7

Public Lighting Authority will provide ability to borrow capital to fund required \$160.0m infrastructure investment ¹



1. Payment of liabilities will be funded by Utility Users' Tax - \$17.0m earmarked in income tax for police will replace funds used for lighting

Current state: Major thoroughfares and many neighborhoods lack functioning lights

Functioning Lights on Major Thoroughfares and in Neighborhoods



Lighting conversion and improvement strategy consists of four phases

Parallel with the highly visible major initiatives described below, the City will also implement less high profile improvements

The City will not remove any functioning lights or lights whose outages have already been reported

	Pre-Phase 1 (Completed before Authority)	Phase 1 Steady neighborhoods and open call center	Phase 2 Major thoroughfares and transitional	Phase 3 Varied neighborhoods	Phase 4
Conversions	<ul style="list-style-type: none"> W. Outer Drive between Southfield Fwy. and W. McNichols Lafayette between I-375 and St. Aubin Greenfield Road between Fenkell & Warren 	<ul style="list-style-type: none"> Sherwood Forest Green Acres Remaining portions of E. and W. Outer Drive Grand Blvd. 	<ul style="list-style-type: none"> Gratiot Grand River from Lodge Livernois Downtown Midtown Michigan Avenue Jefferson Avenue 	<ul style="list-style-type: none"> Remaining semi major thoroughfares such as Junction and Pembroke 	
Light bulbs & fixtures	<ul style="list-style-type: none"> Fix 3300 reported outages 	<ul style="list-style-type: none"> Remove all 13,639 alleyway fixtures Areas in which conversion will affect residential areas: Keep 100% of fixtures 	<ul style="list-style-type: none"> Place 10,000 new bulbs in transitional areas Remove 25% of fixtures in transitional areas 	<ul style="list-style-type: none"> Place 10,000 bulbs in varied areas Remove 30-50% of fixtures in varied neighborhoods 	<ul style="list-style-type: none"> Remove 50-70% of fixtures in distressed neighborhoods while utilizing used fixtures from other areas (majority are currently off)
Estimated cost	\$614.3k Sep. – Nov. 2012	\$14.4m Nov. 2012 – April 2013	\$34.6m April 2013 – April 2014	\$56.6m April 2014 - April 2015	\$4.3m April 2015 – April 2016

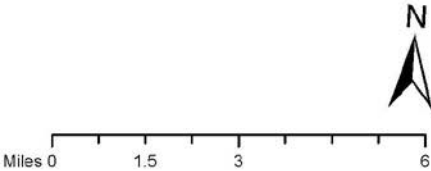


Pre-Phase 1: Lights will be fixed in pilot project areas and 3,300 bulbs will be fixed (prior to Authority)

Sep. – Nov. 2012



Pre-Phase 1



Pre-Phase 1: 442 lights will be fixed across the city due to conversions and 3300 bulbs will be fixed (prior to Authority)

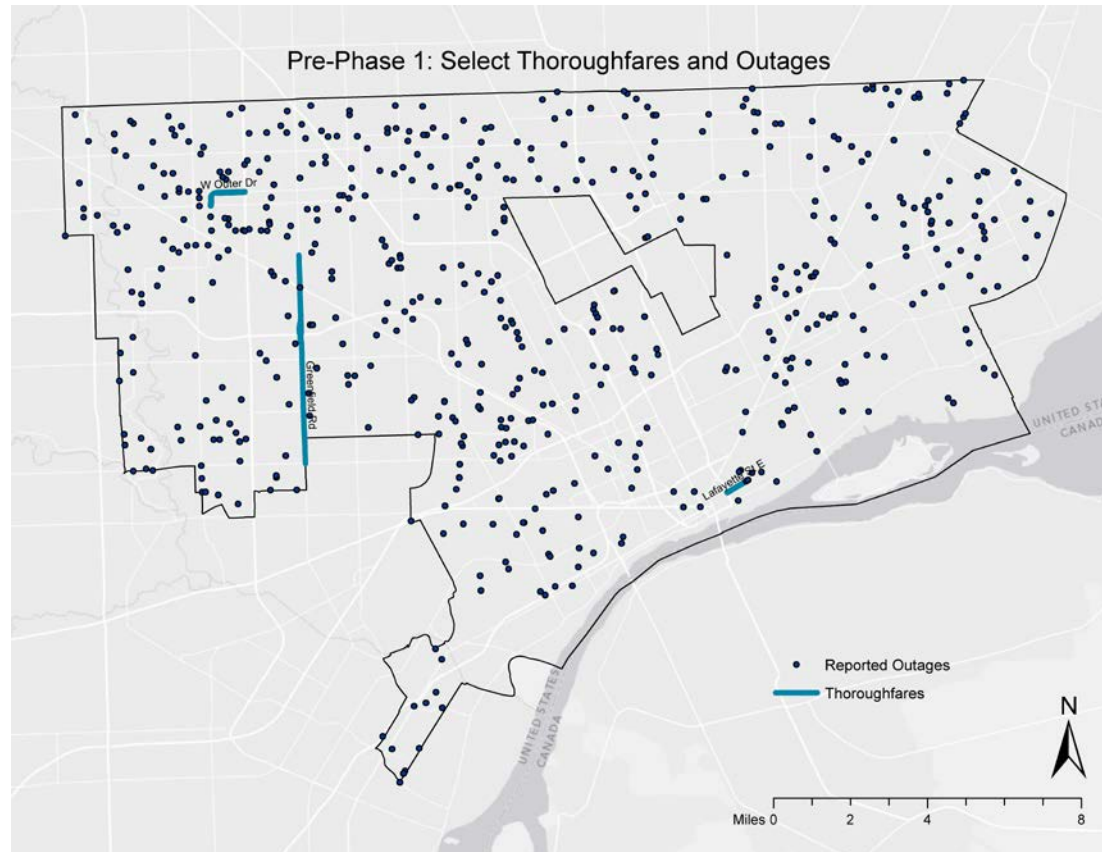
Conversion

West Outer Drive between Southfield Freeway and West McNichols
 Lafayette between I-375 and St. Aubin
 Greenfield Road between Fenkell and Warren

Light bulbs

Fix 3300 reported outages

Type	Est. Count	Unit cost	Total cost
OH	32	\$ 1,345.00	\$ 43,040.00
OH	53	\$ 1,345.00	\$ 71,285.00
OH	357		\$ -
	<u>3,300</u>		\$ 500,000.00
	3,742		\$ 614,325.00



¹ The strategy will be flexible in order to accommodate neighborhood feedback and alternative cost structures

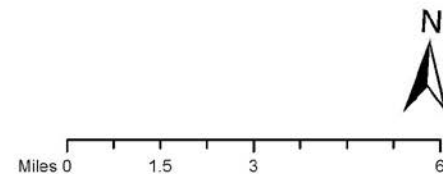
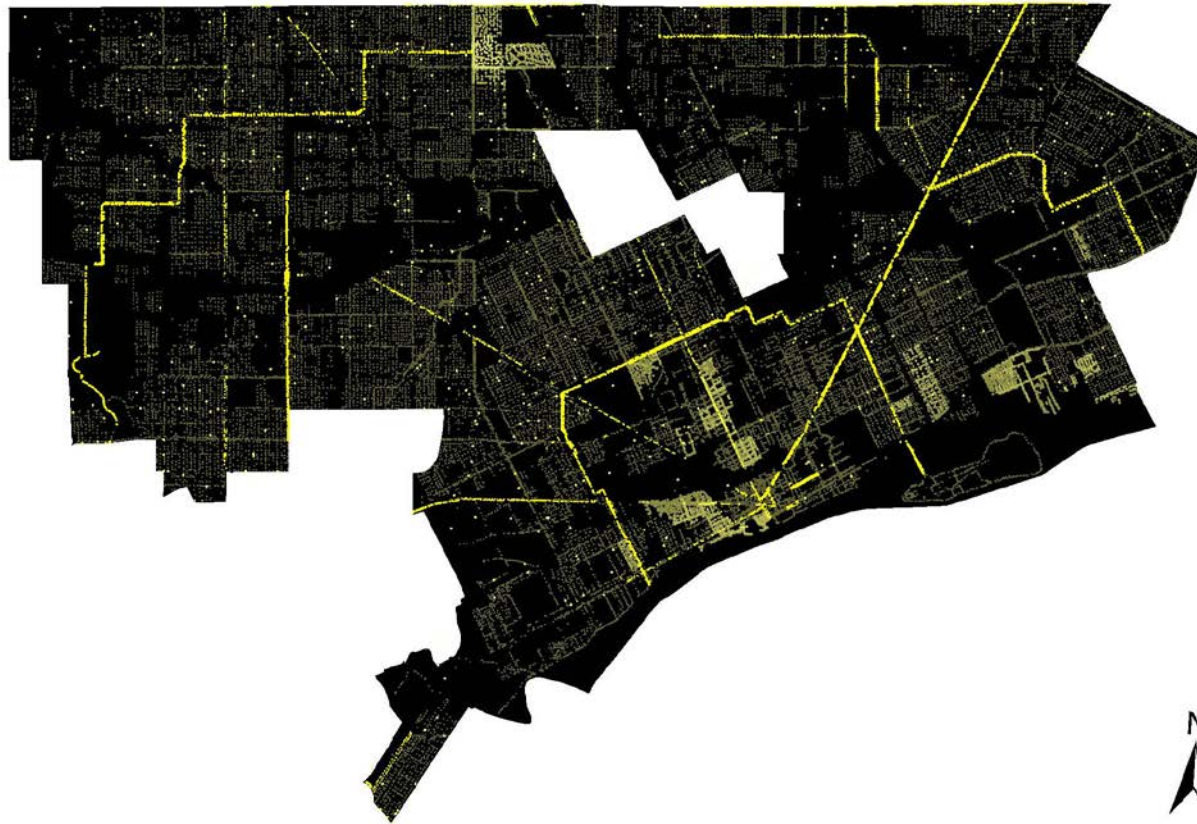


Phase 1: Conversions will take place in some neighborhoods; alleyway fixtures will be removed

Nov. 2012 – April 2013



Phase 1



Phase 1: Conversions will take place in steady neighborhoods (affecting 1,525 lights); 13,639 alleyway fixtures will be removed

Conversion

Sherwood Forest & Green Acres
Remaining E & W Outer Drive
Grand Blvd

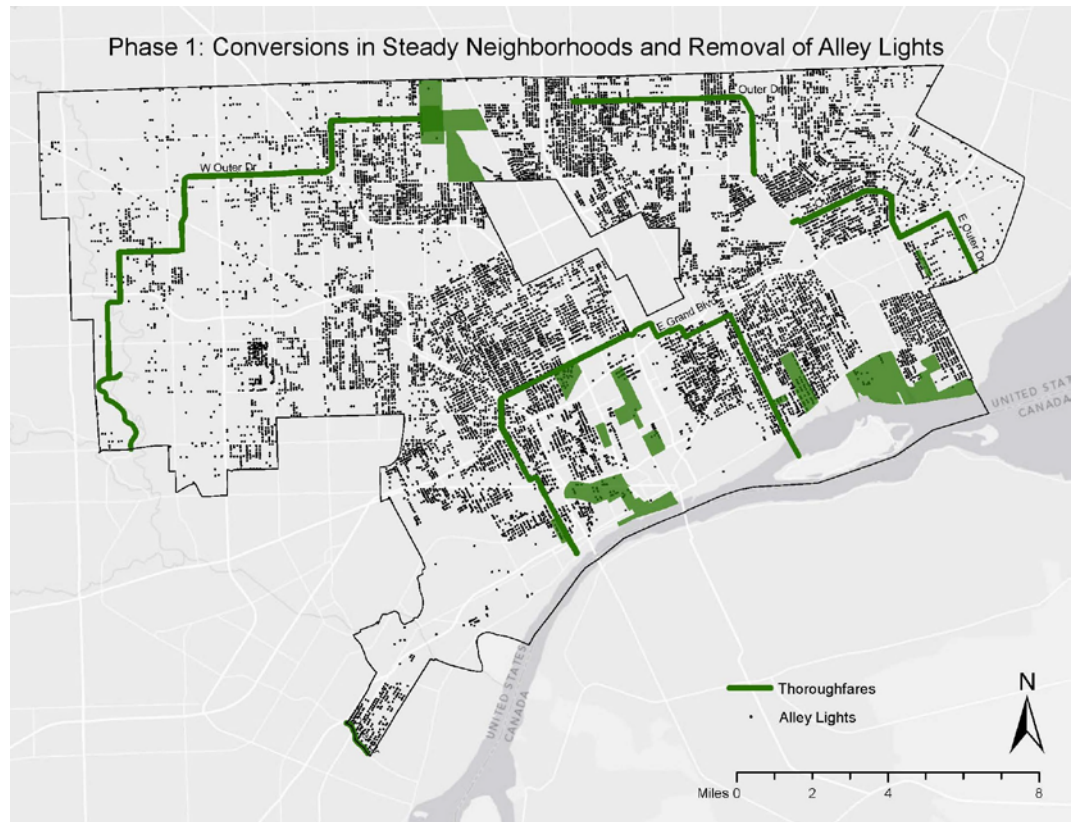
Removal

Removal of alleyway fixtures

Type	Est. Count	Unit cost	Total cost
UG	349	\$ 5,100.00	\$ 1,779,900.00
UG	665	\$ 5,100.00	\$ 3,391,500.00
UG	511	\$ 5,100.00	\$ 3,391,500.00
OH	13,545	\$ 425.00	\$ 5,756,625.00
UG	94	\$ 700.00	\$ 65,800.00
			\$ 14,385,325.00

During Phase I, the Public Lighting Authority will open a call center, which will dispatch crews to fix reported outages

All converted lights including those on converted UG circuits or existing lights intended for new system will be fixed within one week of reportage



***No functioning lights will be removed**

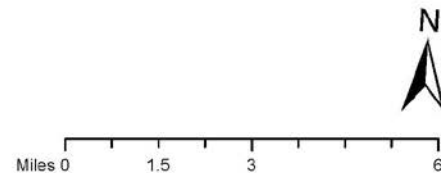


Phase 2: Conversions on major thoroughfares and in some neighborhoods; 10,000 light bulbs fixed; removal of obsolete fixtures in some areas

April 2013 – April 2014

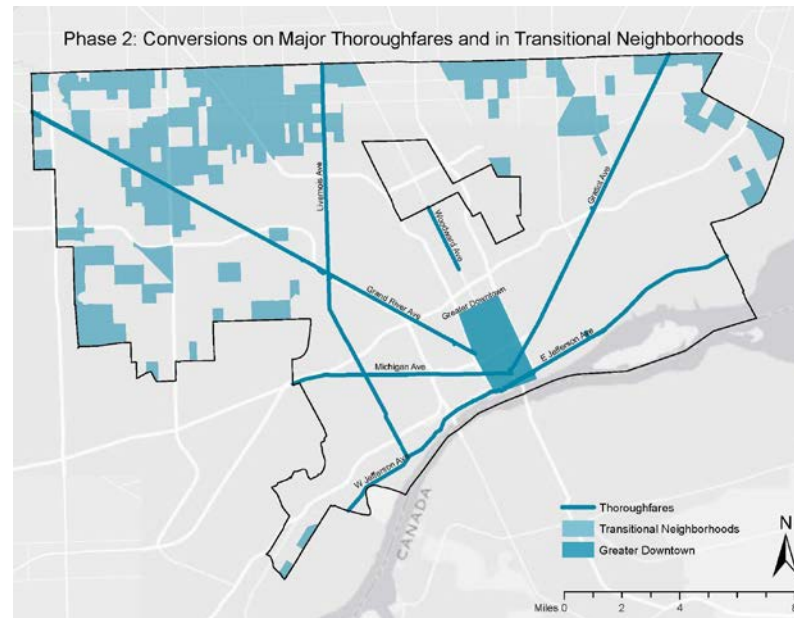


Phase 2



Phase 2: Conversions on major thoroughfares and in transitional neighborhoods; 10,000 light bulbs fixed

	Type	Count	Unit cost	Total cost
<u>Conversion</u>				
Gratiot	OH	274	\$ 1,345.00	\$ 368,530.00
Grand River from Lodge/casino westward	OH	679	\$ 1,345.00	\$ 913,255.00
Part of Woodward	OH	59	\$ 1,345.00	\$ 79,355.00
Livernois up to Lodge	OH	93	\$ 1,345.00	\$ 125,085.00
Livernois from Lodge to 7 Mile	UG	349	\$ 5,100.00	\$ 1,779,900.00
Downtown and Midtown	UG	3785	\$ 5,100.00	\$ 19,303,500.00
Michigan Avenue	UG	493	\$ 5,100.00	\$ 2,514,300.00
Jefferson Avenue	UG	881	\$ 5,100.00	\$ 4,493,100.00
<u>Light bulbs</u>				
10,000 lights in select neighborhoods TBD under Authority leadership based on neighborhood feedback		10,000	\$ 400.00	\$ 4,000,000.00
<u>Removals</u>				
Obsolete fixtures removed after final footprint is determined	OH	2,506	\$ 425.00	\$ 1,065,156.25
		19119.25		\$ 34,642,181.25



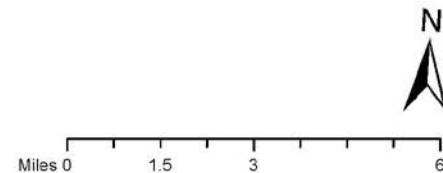
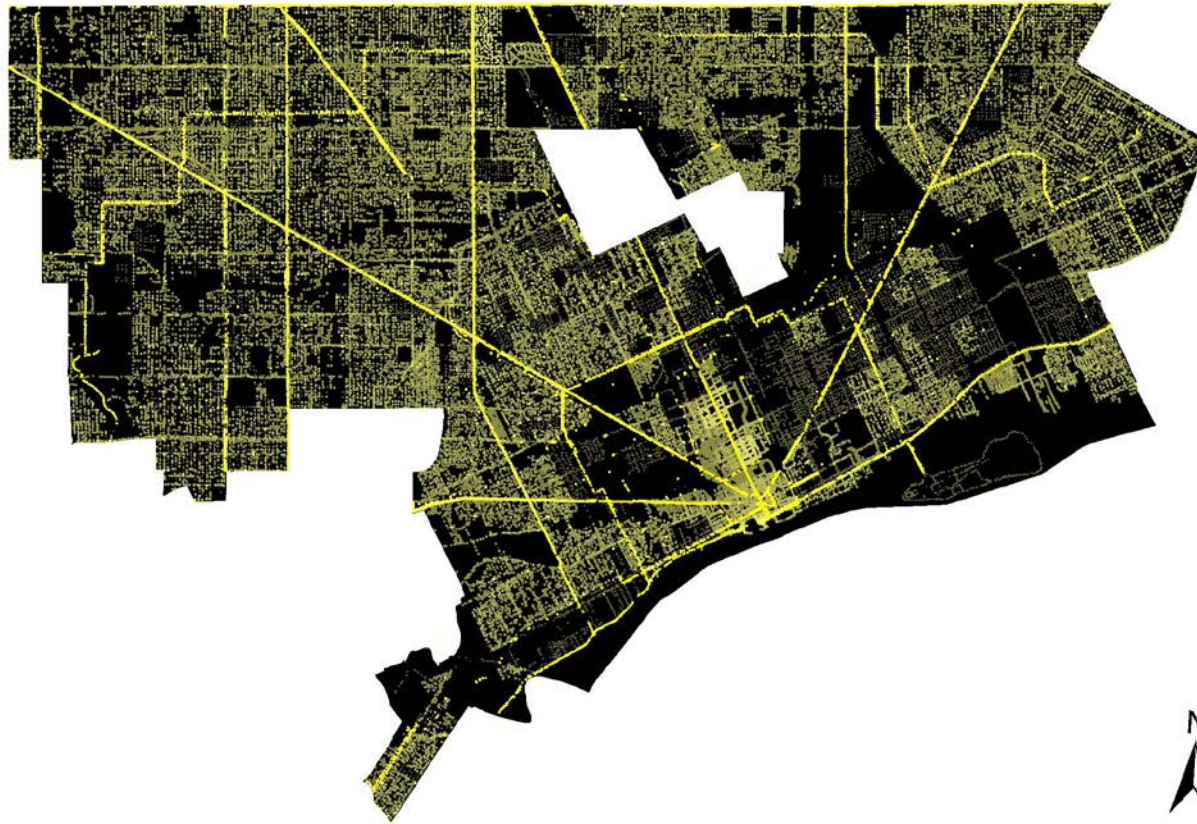
*The strategy will be flexible in order to accommodate neighborhood feedback and alternative cost structures

Phase 3: Conversions on remaining semi-major thoroughfares; 10,000 light bulbs fixed; continue removal of obsolete fixtures

April 2014 – April 2015



Phase 3



Phase 3: Conversions on remaining semi-major thoroughfares; 10,000 light bulbs fixed

Conversion

Semi major thoroughfares such as Junction & Pembroke

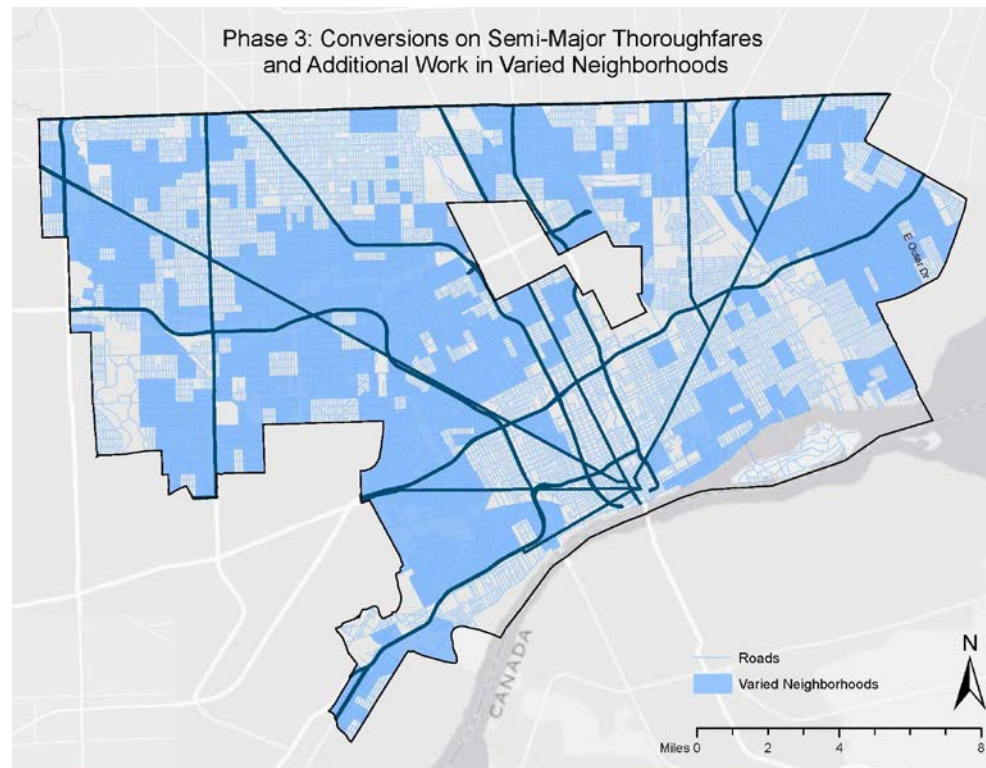
Light bulbs

10,000 lights in select neighborhoods TBD under Authority leadership based on neighborhood feedback

Removals

Obsolete fixtures removed after final footprint is determined

Type	Count	Unit cost	Total cost
	9000	\$ 5,100.00	\$ 45,900,000.00
	10,000	\$ 400.00	\$ 4,000,000.00
OH	15780	\$ 425.00	\$ 6,706,500.00
	34780		\$ 56,606,500.00



*The strategy will be flexible in order to accommodate neighborhood feedback and alternative cost structures

Phase 4: Finish removal of obsolete fixtures while utilizing used fixtures from other areas of the City

April 2015 - April 2016



Phase 4



Miles 0 1.5 3 6

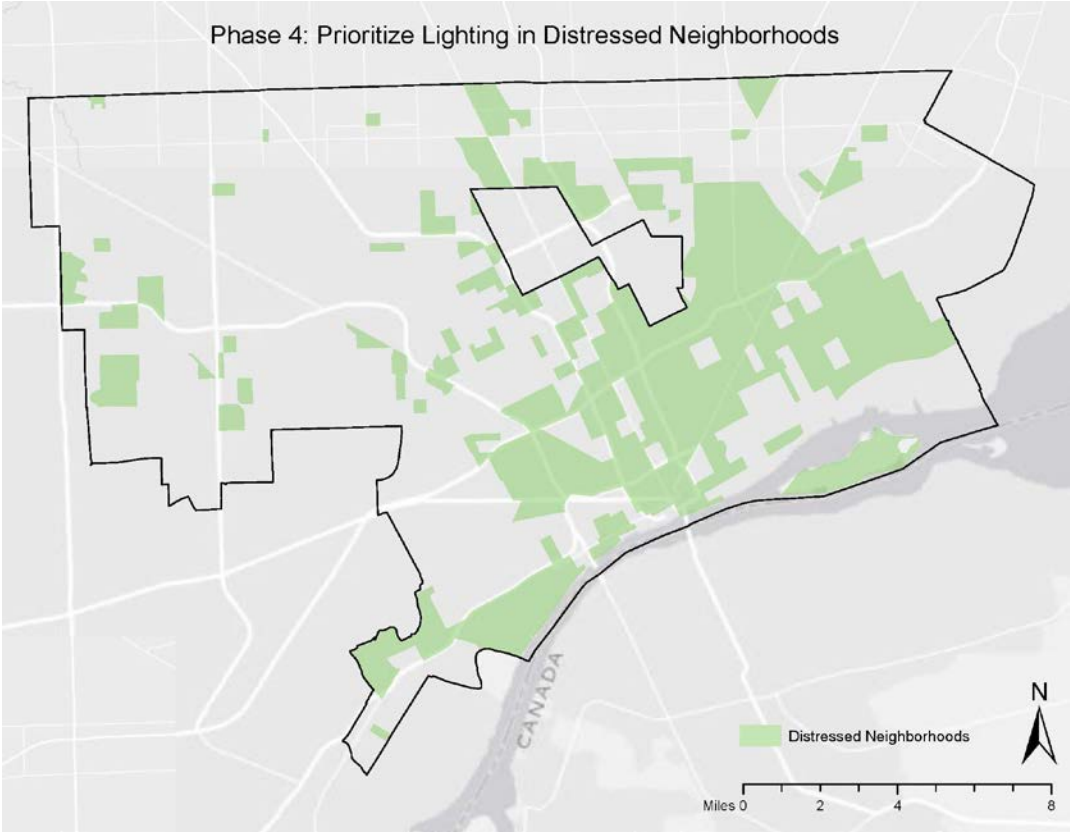


Phase 4: Lighting in distressed areas will reflect current population trends and public safety needs

Removals

Significant removal of obsolete fixtures to combat blight

Type	Count	Unit cost	Total cost
OH	10144	\$ 425.00	\$ 4,311,072.50
	10144		\$ 4,311,072.50



*The strategy will be flexible in order to accommodate neighborhood feedback and alternative cost structures

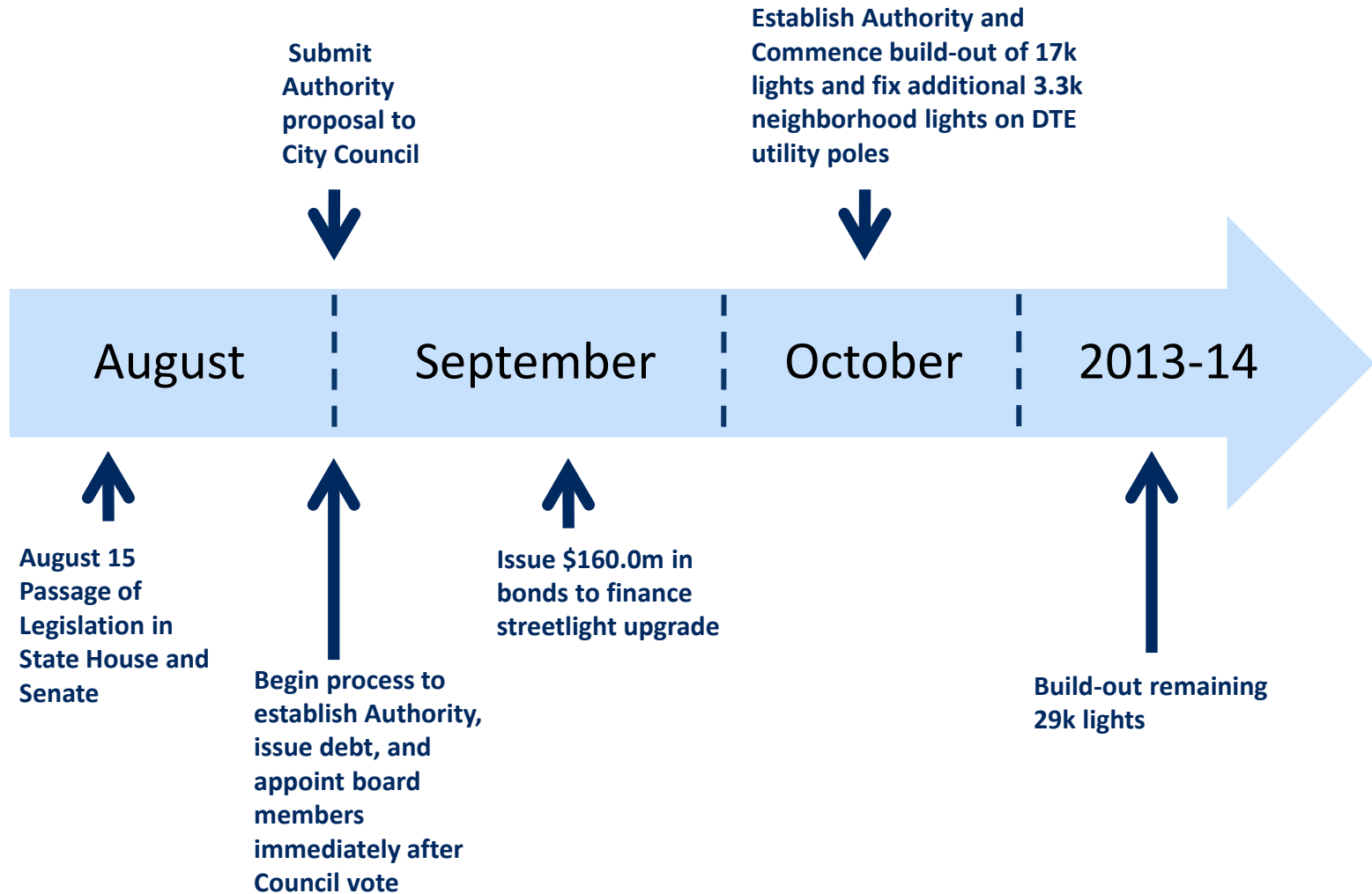
The entire lighting strategy requires \$160.0m in expenditures

	Conversions	Light bulbs	
Pre-Phase 1	442	3,300 fixed	\$614.3k
Phase 1	1525		\$14.4m
Phase 2	6613	10,000	\$34.6m
Phase 3	9000	10,000	\$56.6m
Phase 4	Removal of alleyway fixtures and other obsolete infrastructure will take place during all phases		\$4.3m
Management Contracts			\$1.0m
Engineering and overhead			\$32.9m
TOTAL			\$144.5m

Remaining \$15.5m will fund cost overruns or future LED project with the potential for enhancements dependent on energy optimization funds and/or partnerships with manufacturing, foundations, nonprofits



City requires State legislative action to approve 3 bills which will enable City to implement its lighting strategy; bills require no additional taxes and introduce prudency and reporting



City requires State legislative action to approve 3 bills which will enable City to implement its lighting strategy; bills require no additional taxes and introduce prudence and reporting

**Legislation to create a Public Lighting Authority
HB 5688**

- Legislation will establish legal basis state-wide for communities to establish lighting Authorities

**Legislation to use Utility Users' Tax
HB 5705**

- \$12.0m per year allocated to pay bonds associated with Authority
- Police budget will NOT be affected
- Resident non-filer income tax will backfill proceeds used from utility tax

Incremental Revenue Support
**Legislation to suspend income tax rollback
SB 970**

- Proceeds pledged to Police to backstop Utility Tax
- Elimination of rollback provision in City's income tax
- Mechanism to use income tax revenue as credit support